

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re

X Chapter 11

HPA Northridge LLC,

Case No. 16-13376

Debtor.

X **Local Rule Statement**

Joel I Beeler, as manager of HPA Northridge LLC (the “Debtor”) certifies,
deposes and says under penalty of perjury, as follows:

1. I am the Debtor’s manager and I am submitting this statement pursuant to the local rules of this Court in support of the Debtor’s Chapter 11 filing.
2. I am an attorney licensed to practice in the State of New York, and the Federal Courts for the Southern and Eastern Districts of New York.
3. On December 2, 2016, the Debtor filed a Chapter 11 petition under Title 11 of the United States Code, 11 U.S.C. 101 et seq. (the “Bankruptcy Code”).
4. The Debtor owns the real property at 2934 No Hill Street, Meridian, MS 39305 the “Property”).
5. The property is a strip mall of about 73,000 square feet pictured below:



6. The Property is encumbered by a \$2,579,000 deed of trust lien held by the SJ Trust and DJ Trust (the “Lender”). Based upon a broker estimate, the property value is \$4,100,000. The Debtor’s unsecured debt consists of insider loans, tenant obligations and legal fees for a total of about \$66,179.

7. The Lender’s note matured on August 7, 2015. Since that time, the Debtor has tried to refinance or sell the Property. But the Debtor’s lease to Southern Family Markets, the Property’s anchor tenant, expires in about 9 months, and the tenant has until March 2017 to decide whether to renew. Until the anchor tenant provides notice, it is very hard to refinance. In the meantime, the Debtor has paid the Lender monthly interest plus monthly escrows for real estate taxes and insurance. Earlier this year, at the Lender’s demand, the Debtor increased the interest portion of the monthly debt service to the default rate of interest.

8. With only the minimum required notice, (which did not include notice to the Debtor), the Lender scheduled the Property for sale on December 5, 2016. The Debtor filed

this petition to avoid a forced sale and instead to retain a real estate broker, sell the Property in any orderly manner, and confirm a Chapter 11 Plan.

9. In the meantime, the Debtor intends to make a motion to use cash collateral to operate the Property, and to continue to pay the Lender debt service at the default rate plus monthly escrows for real estate taxes and insurance.

Dated: New York, New York
December 7, 2016

s/Joel I Beeler